

KANSAS RACING AND GAMING COMMISSION

MINUTES – JUNE 10, 2022

CALL TO ORDER (A.)

Chairman David Moses called the June 10, 2022, meeting to order at 10:00 a.m. The meeting was held at the Hollywood Casino in Kansas City, Kansas. Notice of this meeting was given to the public via the KRGC and Public Square websites. Commissioners Brandon Jones, Larry Turnquist, Kelly Kultala, and Sheryl Spalding were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT and Electronic Security Dennis Bachman, Director of Administration, Audit, and Finance Brandi White, Director of Security Roger Bailey, Director of Sports Wagering Todd Allen, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Jones) moved to approve the agenda. Motion carried 5-0.

MOTION, APPROVE May 15, 2022 MEETING MINUTES (C.)

Commissioner Kultala (Spalding) moved to approve the minutes of the May 13, 2022 meeting. Motion carried 5-0.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Jones (Kultala) moved to approve the consent agenda (four items). Motion carried 5-0.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- May 2022 revenue numbers compared to May 2021:
 - Total gaming revenue down 10.51 %
 - Total slot revenue down 13.70%
 - Table games revenue up 34.73%
- Events and Promotions:
 - Weekly Kiosk Games
 - Weekly Food and Beverage Specials
 - Gift Promotions: Taco Night Serving Ware & Marilyn Monroe Purses
 - Headline Promotion: DC Appliance Shopping Spree
 - VIP Promotions: Memorial Day Free Play Frenzy
 - Great Summer Grill Give Away
- Upcoming Entertainment & Events
 - Live to Rock Tour – May 7
 - SW Storm (Arena Football) – May 14 & June 4
 - Jon Pardi (Dodge City Days Concert) – July 30

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, Vice President and General Manager, reported:

- Admissions down 17.1% compared to May 2021
- May 2022 revenue numbers compared to May 2021:
 - Total gross gaming revenue down 5%
 - Slot coin-in down 12%
 - Slot hold down 0.27 pts
 - Table games drop up 15.4%
 - Table games hold up 7.2 pts
- Past Events and Promotions:
 - Sumner County DARE Camp – May 5
 - Mulvane High School Graduation – May 15
 - Kansas High School Rodeo – May 26
- Upcoming Events and Promotions:
 - Southern Plains Wrestling – June 3-5
 - Ricky Skaggs – June 18
 - Tuan Hung Nguyen – July 9
 - Big and Rich – July 15
 - Ted Nugent – August 5
 - Oak Ridge Boys – September 23
 - Third Eye Blind – October 22

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Rick Skinner, Vice President & General Manager, reported:

- Admissions were down 1.4% compared to May 2021
- May 2022 revenue numbers compared to May 2021:
 - Total gross gaming revenue down 1.9%
 - Slot revenue down 3.7%
 - Table games revenue up 87.7%
- Recent/Upcoming Events and Promotions:
 - NASCAR Cup Series Advent Health 400 – May 15
 - Kansas City BBQ Drawing – May 29
 - Table Games Hot Seat – Tuesdays in June
 - VIP Driver's Seat – June 3
 - Driver's Seat – June 4
 - NCL Giveaway – June 4
 - VIP Pull Party – June 11
 - Tier Renewal Drawings
 - Preferred Drawing - June 10
 - Elite Drawing - June 17
 - Owner's Club Drawing - June 24
 - Sporting Scratchers - June 12
 - Father's Day Giveaway - June 18
 - 10 Year \$200K Drawing – June 18

- Drop and Win - June 24
- \$50K Jackpot Party - June 25
- Quixotic – Every Friday and Saturday

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Jeff McKain, General Manager, reported:

- Admissions up 3.8% compared to May 2021
- May 2022 revenue numbers compared to May 2021:
 - Coin in up 1%
 - Table games drop up 5.2%
 - Net gaming revenue up 2.2%
- Events and Promotions:
 - May
 - Point Multipliers every Tuesday.
 - Camp 49 promotional specials every Wednesday.
 - Casino Hot Seats every Thursday.
 - Table Game Hot Seats on Friday 6th, 13th, and 20th.
 - Jordan Fletcher concert Friday the 14th.
 - Cash is King promotion Friday the 27th.
 - Casino Gift Day every Saturday.
 - Mother's Day buffet on Sunday the 8th.
 - Bonus gift day on Sunday the 29th.
 - June
 - Point Multipliers every Tuesday.
 - Camp 49 Hot promotional specials every Wednesday.
 - Casino Hot Seats every Thursday.
 - Table Game Hot Seats every Friday.
 - Cash is King promotion Friday the 24th.
 - Casino Gift Day every Saturday.
 - Puddle of Mudd concert Saturday the 4th.
 - MMA sports event on Saturday the 18th.
 - Bonus gift day on Sunday the 26th.

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There was no old business.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

There was no new business.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1. and I.2.)

Judith Taylor, General Counsel, reported on the Voluntary Exclusion Program statistics for the month of May 2022.

- Chairman Moses requested more information regarding the appropriation of funds from the Problem Gambling and Addictions Grant Fund, particularly the ninety percent used for other addictions instead of gambling addiction. The chairman requested that a speaker from KDADS be present at the July meeting to explain how this fund is appropriated.

Todd Allen, Director of Sports Wagering, reported:

- Regarding the allocation of Problem Gambling and Addiction Fund monies, SB 84 requires that KDADS give a report to both House and Senate Federal and State Affairs committees each year.
- SB84 established an August 1st deadline for KRGC to develop a process for conducting background checks of interactive sports wagering platforms and notify the Facility Managers of that process. KRGC is well underway in that process.
- Draft regulations are being developed. The goal is to have draft regulations to the Facility Managers for comment by the end of the month.
- Commissioner Turnquist asked if the new background process will be similar to the existing process for background checks. Director Allen stated that the process does have similarities, but statute requires some aspects not present in the current process.
- Commissioner Kultala asked for clarification on whether the August 1st deadline was for submission of draft regulations or establishment of permanent regulations, and if the regulations were for the vendors. Director Allen clarified that the August 1st deadline only pertains to the background process. The permanent regulations are due January 1, 2023 and will encompass all aspects of sports wagering.
- Commissioner Turnquist asked if the establishment of the new background process would require temporary regulations. Executive Director Brownlee explained that SB 84 gives authority to the Executive Director to develop that

process, and commission approval is not required, though the commission would be informed.

- Chairman Moses asked if SB 84 created a specified Director of Sports Wagering position. Director Allen explained the position was established out of need and was not a statutory requirement.

Executive Director Brownlee reported:

- Executive Director Brownlee apologized to any sports wagering platform companies for any miscommunication about the meeting that occurred prior to today's meeting and clarified that the meeting was for facility managers only.
- IT staff have been upgrading security measures and increasing cybersecurity training for KRGC staff.
- The next meeting is scheduled for 10:00 a.m. on July 22nd at the Downtown Ramada.

MOTION, EXECUTIVE
SESSION; PERSONNEL
ISSUES
(K.1.)

Commissioner Spalding (Turnquist) moved that the Commission go into executive session for the purpose of reviewing personnel issues presented today by the commission's Executive Director. In addition to the commissioners, the personnel issues portion will include the Executive Director. The total time for the executive session was anticipated to be thirty (30) minutes until 11:12 a. m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0, and the meeting was adjourned to executive session at 10:42 a.m.

RECONVENE
(K.2.)

The commission meeting returned to open session at 11:12 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTION, EXECUTIVE
SESSION; CONFIDENTIAL
BACKGROUND REPORTS
(K.2.)

Commissioner Jones (Spalding) moved that the Commission go into executive session for the purpose of reviewing confidential background reports presented today by the commission's security division. In addition to the commissioners, the confidential background reports portion included the executive director, general counsel, and director of security.

The total time for the executive session was anticipated to be twenty-five (25) minutes until 11:45 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0, and the meeting was adjourned to executive session at 11:20 a.m.

RECONVENE
(K.3.)

The commission meeting returned to open session at 11:45 a.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTION, EXECUTIVE
SESSION; ATTORNEY-
CLIENT PRIVILEGE
(K.4.)

Commissioner Kultala (Jones) moved that the Commission go into executive session for the purpose of consulting with the agency's attorney on attorney-client privileged communications. In addition to the commissioners, the attorney-client privileged communications will include the executive director, general counsel, and director of sports wagering. After discussion, the total time for the executive session was anticipated to be sixty (60) minutes until 12:45 p.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried 5-0, and the meeting was adjourned to executive session at 11:45 a.m.

RECONVENE
(K.5.)

The commission meeting returned to open session at 12:47 p.m. with Chairman Moses, Commissioner Jones, Commissioner Turnquist, Commissioner Kultala, and Commissioner Spalding present.

MOTIONS ON LICENSE
APPLICATIONS
(L.1.)

Commissioner Turnquist (Jones) moved to *conditionally approve two* license applications and *approve the remaining 160* license applications from the June 10, 2022, list of background reports referred to the commission for action. The motion carried 5-0.

OTHER BUSINESS

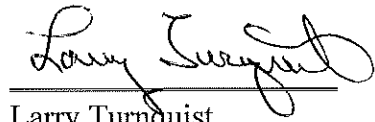
There were no other items for discussion or motion.

ADJOURNMENT
(M.)

Chairman Moses stated that the July 22, 2022 commission meeting will begin at 10:00 a.m. for an in-person meeting at the Downtown Topeka Ramada Inn.

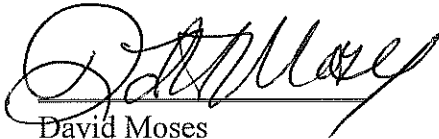
Commissioner Spalding (Kultala) moved to adjourn the meeting. Motion passed 5-0. The meeting was adjourned at 12:50 p.m.

SUBMITTED BY:

A handwritten signature in cursive script, appearing to read "Larry Turnquist", written over a horizontal line.

Larry Turnquist
Secretary

APPROVED BY:

A handwritten signature in cursive script, appearing to read "David Moses", written over a horizontal line.

David Moses
Chairman